Quarterly Activities Report
December 2020

A Very Interesting Quarter

- **Vimy commences trading on the US-based OTCQB Venture Market**
- **Vimy joins the Solactive Global Uranium Pure Play ETF Index effective 1 Feb 2021**
- **Alligator River fieldwork completed with exciting results and new targets**
- **A review of the metallurgical processes at the Mulga Rock Project identifies potential economic benefits → ANSTO appointed to undertake testwork**
- **The Base Metal circuit (Ni, Co, Cu, Zn) at Mulga Rock may provide material economic benefits owing to improving prices for battery metals**
- **Uranium market sentiment improving and global uranium equities surge – Vimy up 141%. Driven by shrinking supply and increasing demand, as well as growing global acceptance that nuclear power is essential to achieving zero-net emissions by 2050**

Vimy Resources Chief Executive Officer, Mike Young, said *"The quarter has seen a significant shift in sentiment towards uranium equities as a direct result of the US election. President Biden, and his Climate Envoy, John Kerry, have identified nuclear power as a key part of achieving net-zero emissions by 2050. This attitude is becoming global and with the advent of small modular technology, this decade will see a significant change in the energy landscape as nuclear energy continues to grow.*

"Vimy occupies a unique space in the junior uranium market in that it is one of very few companies with a dedicated uranium marketing executive based in the United States. Our VP Sales and Marketing, Scott Hyman has over thirty years' experience in both the procurement and sale of uranium. His relationship with the US utility fuel buyers provides Vimy with an important competitive advantage.

"Vimy has been busy at both Mulga Rock and Alligator River as described below, and investors can expect solid and positive news flow during the March Quarter."

Inclusion in the Solactive Global Uranium Pure Play Index

Vimy has been included in the Index Composition for the Horizons Global Uranium Index ETF (TSX:HURA). HURA seeks to replicate, to the extent possible, the performance of the Solactive Global Uranium Pure-Play Index which provides exposure to the performance of publicly listed companies involved predominantly in uranium mining and exploration. Solactive announced that Vimy will be included in a rebalancing of the Index effective 1 February 2021.

Inclusion in the Index for the first time significantly lifts the profile of Vimy in the North American market and coincides effectively with the commencement of trading on the OTCQB Markets.

Trading on OTCQB Venture Market

In late December 2020 the Company was approved to join the US-based OTCQB Venture Market under the ticker symbol VMRSF (OTCQB:VMRSF). Trading commenced in the US on 14 January 2021.

The OTCQB is a well-established trading platform operated by OTC Markets Group in New York that provides live-market trading in developing companies which hold primary listings in other markets. There are no additional compliance or regulatory standards over and above Vimy's compliance with the ASX Listing Rules.

Vimy met the financial and corporate governance standards and passed the stringent OTC compliance obligations. US-based MCAP LLC provided advisory services.

OTC trading is non-dilutive to existing Vimy shareholders as no new shares were issued to enable trading on the OTCQB and Vimy's shares will continue to trade on the Australian Securities Exchange under the symbol ASX:VMY.

OTC trading will enhance the visibility and accessibility of the Company to North American shareholders and media partners using virtual meetings and webinars which are now the norm.

Mulga Rock Project

Resin Test Work

ANSTO has been appointed to evaluate the potential for capital and operating cost reductions to the Mulga Rock metallurgical process, specifically the resins used in resin-in-pulp circuit. The potential outcomes include:

- Material improvements in recoveries of uranium in the processing plant,
- Reduced capital expenditure by simplifying the flowsheet by eliminating some plant items, and
- Reduced C1 due to lower resin consumption, and lower plant operating and maintenance costs.

Battery Minerals

Battery minerals, comprising nickel, copper, cobalt and zinc, occur in material quantities in the Princess and Ambassador deposits which provide feed to the plant in the first eleven years of operations (ASX announcement 23 June 2016).

The base metal plant was assessed during the PFS (ASX announcement 17 November 2015) and pilot plant testwork on base metal precipitates was successfully conducted during the DFS (ASX announcement 30 January 2018). However, at the time of the DFS, base metal prices resulted in a marginal outcome and so the plant was put on hold.

However, given the urgent global emphasis on decarbonisation of energy systems, battery mineral prices have increased significantly including all four Mulga Rock base metals and so Vimy has recommenced the assessment of the base metal plant.

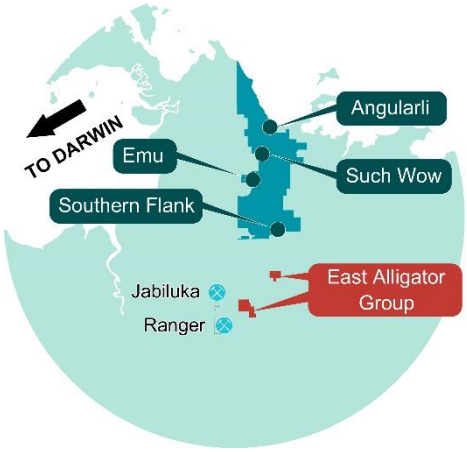
Our assessment so far indicates that the battery metals plant, via by-product credits, could provide a material benefit to the cost of uranium processing. Importantly, base metals do not report to the uranium concentrate, as the base metal circuit treating the uranium circuit tailings stream.

A further announcement will be provided in the March Quarter 2021.

Alligator River Project

The Alligator River fieldwork wrapped up early in the December Quarter due to the premature onset of the NT wet season.

Due to COVID-19 restrictions, the 2020 field season activities were limited to low-impact surveys, and focused on target generation and prospect ranking in preparation for the 2021 field season.



The program of works included:

- Termitaria sampling at the Emu, Such Wow North and Angularli North prospects. For detailed information on this sampling technique, see Vimy's ASX announcement 1 October 2019.
- Passive seismic surveys at the Emu, Such Wow North and Angularli North. Those surveys aimed to map the amount of transported cover or depth of weathering profile over various areas. For information on this technique, see Vimy's ASX announcement 20 March 2018.
- Detailed ground radiometric surveys were completed at the Q14 and TP14 (Southern Flank), and Bandogge prospects at Such Wow. Those surveys were carried out by company personnel at 25m spacing, using an RS-125 handheld gamma ray spectrometer.
- Geological mapping at the Bandogge prospect (Such Wow), focusing on an area of known uranium anomalism along a north-south trending fault corridor and pervasive hydrothermal alteration in the sandstone cover at the surface. The shallow depth to the target unconformity and thin cover across that prospect lends itself to immediate and inexpensive drill testing using reverse circulation.
- High-resolution (sub 5cm resolution) drone imagery was collected across a range of prospects (Shiba and Bandogge – Such Wow – and Emu). Ortho-rectification of the imagery and extraction of associated Digital Terrain Models was carried out in-house and will support future work programs.
- With access to the East Alligator Group ground not possible in 2020, portable XRF analysis was taken on historical Algodo drill holes to complement Short Wave Infrared-near Infrared (SWIR-NIR) readings collected on the same drill core. The aim of that analytical program was to identify the presence of pathfinders and mineral indicators of uranium mineralisation.

The outcomes of those surveys are discussed below:

Angularli: The Angularli Deposit is a significant, high grade unconformity uranium deposit comprising 26Mlbs U_3O_8 for 0.91Mt at 1.3% U_3O_8, at a cut-off grade of 0.15% U_3O_8 (Vimy 79%: Rio Tinto Exploration 21%) - see ASX announcement 20 March 2018 for further details.

Several targets exist north of the Angularli Deposit which were the focus of further work during 2020. The termitaria work program identified three areas of interest, based on anomalous U and U^2/Th signatures:

- **Shining Sparrow** (formerly Angularli N): Anomalous U, U^2/Th and Pd termitaria results extend over a significant area, located about 800-1,000m to the north-northwest of the Angularli deposit. It coincides with the northern extension of the Angularli fault zone cross-cutting a shallow unconformity between metamorphic basement and sandstone cover. A significant but untested north-northwest trending IP anomaly crosscuts the eastern part of the prospect, indicating an electrically chargeable sub-surface material (a feature of the Angularli deposit). High-resolution airborne EM data suggests the sandstone

cover ranges in thickness from 50 to 150m. The coincident passive seismic survey completed over this area confirmed that it can be tested cost-effectively using reverse circulation drilling and warrants immediate follow-up.

- **Angularli NE:** Located 800-900m northeast of the Angularli deposit, the anomalous uranium results occur within an area of thicker Cretaceous, unconsolidated cover sequence but lack corresponding airborne radiometric anomalism. This indicates that deeper mineralisation is effectively 'blind' and further work is warranted.
- **Angularli W:** A discrete zone of anomalous U and U^2/Th results is coincident with a mapped deformation zone in sandstone, along a north-northwest trending brittle fault zone 1.3-1.4km west of the Angularli deposit. The presence of anomalous boron in sandstone, an indicator of dravite alteration, a short distance further north along that fault zone supports the presence of a structurally controlled hydrothermal alteration system associated with uranium mineralisation, extending into the sandstone cover.

Emu: The results of the termitaria survey confirm the extensive nature of uranium anomalism across that prospect, associated with blind mineralisation in the underlying basement.

A large number of samples returned significant uranium anomalies and a coincident passive seismic survey confirmed the suitability of reverse circulation to test that prospect.

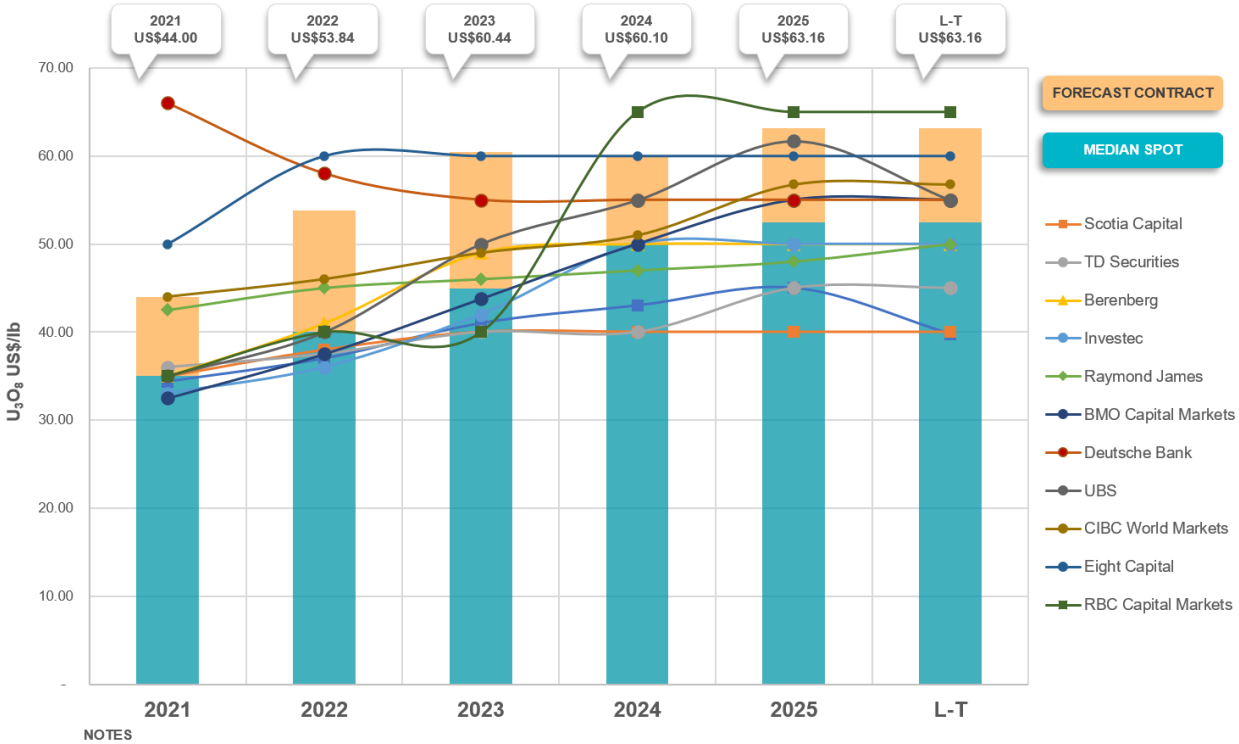
Such Wow North: Mapping across the Bandogge corridor confirmed the presence of an extensive alteration system with abundant diaspore veining at surface, alumino-phosphate-sulphates (APS, refer to ASX announcement dated 20 March 2019) in the sandstone matrix and brecciation in the footwall of a north trending fault corridor. The alteration extends north from a U and U^2/Th anomaly defined in 2019 along the same trend. Significant strike-slip movement along that fault zone has resulted in an apparent vertical offset along the unconformity, a key feature of unconformity-style uranium mineralisation (i.e. Athabasca Basin).

Southern Flank: A ground radiometric survey and associated geological mapping have confirmed the tenor of the airborne datasets and validated the drill-testing approach proposed for those prospects, using angled overlapping reverse circulation drilling.

Ground radiometric survey at Bandogge Prospect (Such Wow, September 2020)

Uranium Market

Vimy considers that the prolonged downturn in the uranium market is coming to an end. Although the reported spot price remains ~US$30/lb U_3O_8, there has been a 67% increase in price since its historic low in late 2016. Our view is that the uranium prices are likely to continue to strengthen in 2021 and beyond. This is supported by the 2021 Median Street consensus of US$35/lb (BMO Capital Markets, Jan 21 - below).



NOTES
1. For some brokers forecasts, they commence a long-term uranium price prior to 2026 and this price is applied for all subsequent years.
2. All brokers report the spot price and these are reflected in the lines with the Vimy delta to contract added.
3. The median spot is shown in the blue bar and the delta to the contract price is shown in orange and has been calculated on historical prices for the period 2000 to 2020.

Recovery drivers include inventory drawdowns due to COVID-related production curtailments from key producers KazAtomProm and Cameco, and mine depletion including the permanent closure of the Ranger Mine in Australia, and Orano's Cominak Mine in Niger.

While Vimy expects utilities to re-engage with uranium producers in the short term, the spot price has remained static. Despite this, uranium equities rallied late in the Quarter (Vimy up 141%) as they were buoyed by comments from the new administration in the United States indicating that nuclear energy must be included in the energy mix to reach greenhouse gas targets by 2050. Climate Envoy John Kerry, formerly anti-nuclear, was unequivocal in telling the US to "go for it" with respect to nuclear power.

Another major boost came in early December when the Senate Committee approved the bipartisan bill called the American Nuclear Infrastructure Act (ANI Act), aimed at supporting the US nuclear fuel cycle. The bill includes an annual program for a US Strategic Uranium Reserve, which would ensure the availability of uranium in the event of a market disruption and support strategic fuel cycle capabilities.

The bill also provides for a targeted federal credit program to preserve commercial reactors at risk of premature shutdown for economic reasons, generally owing to asymmetrical and large subsidies to unreliable 'renewable' energy. It also outlines authority for the US Nuclear Regulatory Commission to establish an "international nuclear reactor export and innovation" branch to promote US technology, particularly in the modular reactor space.

The election of President Biden, and the bi-partisan passage of the ANI Act, provides the US utilities with increased certainty of energy policy, including a recognition of nuclear as clean energy.

The change in sentiment in the US is also occurring globally where many of the countries with nuclear power are expanding or extending their nuclear fleets. There are also new entrants to the nuclear club including the United Arab Emirates which is currently constructing 5,400MWe of nuclear power on time and on budget.

There is a growing recognition that renewable energy will not provide the scale and reliability required for increased clean electricity demand particularly in larger developed and developing nations. In the US, nuclear energy provides 20% of the electricity and 54% of the clean energy, followed by wind (19%), hydro (17%), solar (5%) and biomass (4%) (IEA.GOV, February 2020).

Tenements

Tenement details for Mulga Rock (Narnoo Mining Pty Ltd) and Alligator River Projects (Viva Resources Pty Ltd) and the tenements held by Vélo Resources Pty Ltd are shown in Table 1.

Table 1: Tenement details at 31 December 2020

Tenement	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
Mulga Rock Project (Mt Margaret Mineral Field, Western Australia)			
M39/1104	Granted	100%	100%
M39/1105	Granted	100%	100%
E39/2049	Granted	100%	100%
L39/193	Granted	100%	100%
E39/2207	Application	-	100%
L39/219	Granted	100%	100%
L39/239	Granted	100%	100%
L39/240	Granted	100%	100%
L39/241	Granted	100%	100%
L39/242	Granted	100%	100%
L39/243	Granted	100%	100%
L39/251	Granted	100%	100%
L39/252	Granted	100%	100%
L39/253	Granted	100%	100%
L39/254	Granted	100%	100%
L39/279	Granted	100%	100%
L39/280	Granted	100%	100%
L39/285	Granted	100%	-
L39/287	Granted	100%	100%
L39/288	Granted	100%	100%
L39/289	Granted	100%	100%
P39/5844	Granted	100%	100%
P39/5853	Granted	100%	100%
R39/0002	Granted	100%	100%

Tenement	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
Alligator River Project (Northern Territory)			
EL22430	Granted	100%	100%
EL24920	Granted	100%	100%
EL26089	Granted	100%	100%
EL24017	Granted	79%	79%
EL25064	Granted	79%	79%
EL25065	Granted	79%	79%
EL27059	Granted	79%	79%
EL5893	Granted	79%	79%
Vélo Resources Pty Ltd (Mt Margaret Mineral Field, Western Australia)			
E38/3203	Granted	100%	100%
E39/2012	Granted	100%	100%
E39/2013	Granted	100%	100%
E39/2115	Granted	100%	100%
E39/2149	Granted	100%	100%

Annual General Meeting

The Company's Annual General Meeting was held on 26 November 2020. All resolutions put to shareholders were passed on a poll.

Expenditure

Cash spend on operating activities including exploration and evaluation, staff costs, administration and corporate costs and uranium marketing activities in the December 2020 Quarter amounted to $1.5 million. This was similar to the $1.6 million spent in the previous quarter.

Cash at Bank

Cash at 31 December 2020 amounted to $4.3 million.

Mike Young
Managing Director and CEO
Tel: +61 8 9389 2700

Released for and on behalf of the Board of Vimy Resources Limited

29 January 2021

About Vimy Resources

Vimy Resources Limited (ASX: VMY, OTCQB: VMRSF) is a Perth-based resource development company. Vimy's flagship project is the Mulga Rock Project, one of Australia's largest undeveloped uranium resources, which is located 290km by road ENE of Kalgoorlie in the Great Victoria Desert of Western Australia.

Vimy also owns (79%) and operates the largest granted uranium exploration package in the world-class Alligator River uranium district, located in the Northern Territory. Vimy is exploring for large high-grade uranium unconformity deposits identical to those found in the Athabasca Basin in Canada.

Directors and Management

The Hon. Cheryl Edwardes AM
Non-Executive Chairman

Mike Young
CEO and Managing Director

David Cornell
Non-Executive Director

Dr Tony Chamberlain
Non-Executive Director

Luca Giacovazzi
Non-Executive Director

Marcel Hilmer
Chief Financial Officer
and Company Secretary

Julian Tapp
Chief Nuclear Officer

Scott Hyman
Vice President Sales and Marketing

Xavier Moreau
General Manager, Geology and Exploration

For a comprehensive view of information that has been lodged on the ASX online lodgement system and the Company website please visit asx.com.au and vimyresources.com.au respectively.

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